House District 12.3

# THE TWENTY-SEVENTH LEGISLATURE

Log No:		

2 1 2000 2 7	APPLICATION FOR GRANTS AND SUE	SSIDIES   L	og No:
Senate District 12,3	CHAPTER 42F, HAWAII REVISED STATUTES		
Type of Grant or Subsidy Request:		Fo	or Legislature's Use Only
GRANT REQUEST - OPERATING	☐ GRANT REQUEST – CAPITAL	☐ SUBSIDY!	REQUEST
"Grant" means an award of state funds by the permit the community to benefit from those ac	legislature, by an appropriation to a specified rec stivities.	ipient, to support the activities	of the recipient and
	he legislature, by an appropriation to a recipient s oviding a service available to some or all member		o reduce the costs
"Recipient" means any organization or person	receiving a grant or subsidy.		
STATE DEPARTMENT OR AGENCY RELATED TO TH	- · · · · · · · · · · · · · · · · · · ·		
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNK	NOWN):		
1. APPLICANT INFORMATION:	2. CONTACT PERS APPLICATION:	ON FOR MATTERS INVOLVING T	HIS
Legal Name of Requesting Organization or Inc Hawaii County Economic Opportunity Council	dividual:		
Dba: Same as Above	Title: Resource Me	<u>obilizer</u>	
Street Address: 47 Rainbow Drive, Hilo, HI 96	6720 Phone # <u>808-961</u> .	-2681 ext.107	
Mailing Address: 47 Rainbow Drive, Hilo, HI 9	96720 Fax # <u>808-935-92</u>	13	<del></del>
	e-mail <u>hceocgy@</u>	hawaii.rr.com	
3. Type of business entity:	6. DESCRIPTIVE T	ITLE OF APPLICANT'S REQUEST	:
Non profit Corporation     For profit Corporation     Limited Liability Company     Sole Proprietorship/Individual	PROVIDE EMPLOYME	to enhance visitor spending a nt for 40 tanf recipients	AT RAINBOW FALLS TO
4. FEDERAL TAX ID	7. AMOUNT OF STA	ATE FUNDS REQUESTED:	
5. STATE TAX ID #:	FISCAL YEAR 2015:	\$329,050	·
8. STATUS OF SERVICE DESCRIBED IN THIS REQUESTION NEW SERVICE (PRESENTLY DOES NOT EXIST)  EXISTING SERVICE (PRESENTLY IN OPERATION	SPECIFY THE AMOUNT BY SOURCES ( N) AT THE TIME OF THIS REQUEST: STATE \$ FEDERAL \$	OF FUNDS AVAILABLE	
		And the second s	A CONTRACTOR OF THE CONTRACTOR

### Application for Grants and Subsidies

### I. Background and Summary

1. A brief description of applicants background:

Applicant is a 501 (c) (3) designated nonprofit Community Action Agency established in May 1965 under the Hawaii Economic Opportunity Council Act of 1964 with the missing of alleviation, prevention and eliminations of poverty conditions in Hawaii County.

2. The goals and objective related to the request:

Goal: The requested Capital Grants will have within a 12 month period, established an income producting, self sustaining botanical garden to enhance visitor attraction within the periphery of Rainbow Falls with the outcome of providing job training and placement activities for welfare recipients supported by income from entrance fee donations and gift shops sales that will provide an avenue for visitor spending.

### Objectives:

- (a) To have established a botanical garden within a 12 month period.
- (b) To have placed 40 recipients of Temporary Assistance to Needy Families (TANF) in job training and placement activities through the First to Work program within the project.
- (c) The botanical garden will have enhanced visitor attraction within the periphery of Rainbow Falls and provide an avenue for visitor spending from zero to an estimated \$5000 per day or \$150,000 per month.
- 3. The public purpose and need to be served:
  - (a) A public purpose:
    - Enhancement for visitor attraction at Rainbow Falls
    - Job creation for TANF recipients for the reduction of welfare clients in East Hawaii.
  - (b) Needs:

Hawaii County is the largest of four counties in the Stare with an area of apparently 4,020 square miles, roughly the size of the State of Connecticut. It is this county which imported the most field hands for the sugar industry and to this day has 30 small

communities (former plantation camps) within a widely dispersed 260 mile perimeter.

The population count by 2010 Census Summary was as follows:

County	Population	% of State Population
Hawaii County	185,079	13.6%
Oahu	953,207	70%
Kauai	67,091	4.9%
Maui	154,834	11%
Kalawao	90	
State Total	1,360,301	

### (c) Analysis of needs for East Hawaii

- 1. More than two decades ago, the closing of the sugar industry, the mainstay of this county's economy for over 100 years, has caused persisting social and economic problems with the lack of new industries to take the place of sugar in its magnitude. East Hawaii is cursed with the seemingly never-ending social and economic calamities for more than 25 years.
- 2. Unemployment Rates (Source: DLIR, Dec 2013)
  Hawaii County's unemployment rate for December 2013 is 5.9%, the highest in the state. Census track data for East Hawaii has an average unemployment rate of 8% compared to 3.8% average in West Hawaii. (Source: Department of Labor and Industrial Relations, December 2013)

### **UNEMPLOYMENT RATES – DECEMBER 2013**

Hawaii County	5.9%
Oahu	3.8%
Kauai	5.1 %
Maui	4.6 %

d) Per Capita / Personal Income:

Hawaii County	\$33,398
Maui County	\$ 37, 909
Kauai County	\$ 38. 392
Oahu	\$ 48, 529

Hawaii County per capita income of \$33,398 is the lowest of the four counties of this state. (Source: State of Hawaii Data Book, 2012)

Temporary Assistance to Needy Families (TANF) and Snap (Food Stamps) recipients. East Hawaii of Hawaii County has the highest percentage of TANF recipients in the state in proportion to its population. Two times more than Maui County and three times more than Oahu and Kauai.

**TANF** Recipients

	Recipients	Population	Percentage
East Hawaii	4,871	123,376	.0395
West Hawaii	1,307	61,703	.0210
Oahu	11,794	953,207	.0124
Kauai	822	67,091	.0122
Maui County *Molokai/Lanai Included	2,413	154,834	.0156
Total	21, 207		

**SNAP** Recipients

	Recipients	Population	Percentage
East Hawaii	33,174	123,376	27
West Hawaii	15,424	61,703	25
Oahu	112,506	953,207	12
Kauai	9,984	67,091	15
Maui County *Molokai/Lanai Included	23,661	154,834	15
Total	194,749		

#### 4. Population to be served:

- a) 100 percent of the 40 projected participants will be selected from among the eligible TANF recipients for the operation of the botanical gardens, once established.
- b) Another population to be served is an estimated minimum of 700 visitors daily from among the 1,500 to 2,000 visitors coming to Rainbow Falls.

### 5) Geographic Coverage:

The 40 project participants will be selected from those TANF Recipients residing in North and South Hilo, lower and upper Puna Districts.

### II. Service Summary and Outcomes:

1. It is noted here that the grant is for Capital request only to establish the botanical garden. Once established, project operation funds will be provided by State DHS First to Work program for stipends for the 40 TANF Recipients during training, and Federal CSBG funds and project income to sustain the project

The Capital Request is for the construction of a pavilion 40'x 60', a performing stage, a concrete pathway through the garden, plumbing and electrical work. The Capital Request is also for the purchase of equipment, a video projector, video screen, a computer and tables and chairs for viewing the Rainbow Falls at different phases; of water flows cascading downward to the lake below. This is critical to the viewers since Rainbow Falls is not continuously flowing water. During drought period, no water flows, and during down-pour the water turns brown with no resemblance to the usual beautiful water flow of Rainbow Falls; should the visitors arrive during these times, the visitor will appreciate the phases of the water shown in the video screen.

The site of the proposed botanical garden was acquired by an Executive Order of the State Governor. The property of 2.23 acres with the stipulation that the property be used for government and community services. The property is identified as a portion of TMK 3<sup>rd</sup> / 2-3-26.8 also known as the former Hawaii Job Corps site and currently encumbered by Executive Order No 3773 to County of Hawaii.



### H. C. E. O. C.



### Hawaii County Economic Opportunity Council

47 Rainbow Drive Hilo, Hawaii 96720 (808) 961-2681

1/29/2014

Honorable William Kenoi

Mayor, County of Hawaii

25 Aupuni Street

Hilo, Hawaii 96720

Dear Mayor Kenoi,

We request initial approval to proceed with a request of funds from the State of Hawaii to develop a community services project on 2.263 acres of land adjacent to Rainbow Falls, also known as the Job Corp site.

The land is part of a larger parcel, tmk No. (3) 2-3-26, transferred to the County of Hawaii by Executive order number 3773 for Government Office and Community Services.

The purpose of the property is to establish a self-sustaining botanical park featuring native, rare and endangered plants to educate the community and visitors about Hawaii's unique natural environment and provide economic support to the local community.

The project and site is the subject of a completed environmental assessment and prior Executive approval by Mayor Stephen Yamashiro, contingent on the receipt of funds to develop the property.

Thank you for your consideration of this matter.

Sincerely,

Jay T. Kimura

**Executive Director** 

Approved subject to funding and all other legal requirements:

William Kenoi

Mayor, County of Hawaii

### PROPOSED BOTANICAL GARDEN SITE (old Job Corps)

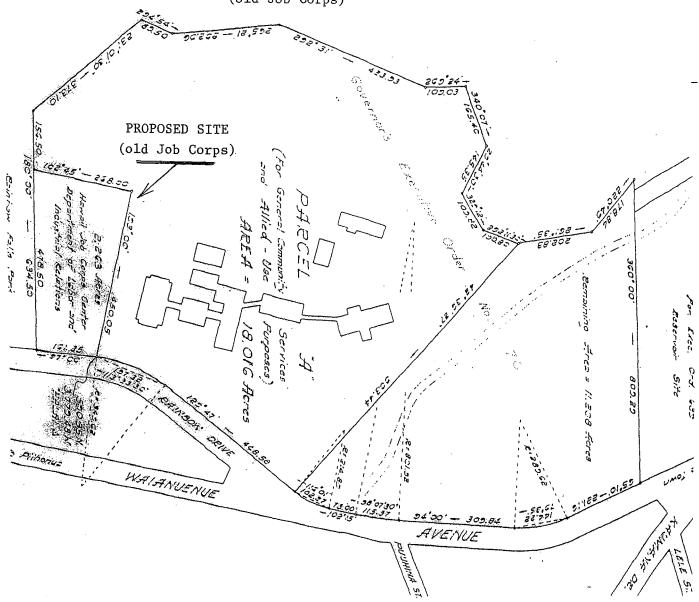


FIGURE 3
SITE LOCATION:
Hawaii Job Corps Center
& Parcel "A"
(REDUCED - NOT TO SCALE)

BUREAU OF PLANS & SURVEYS ~ DEPT.	OF PUBLIC WORKS - COUNTY OF HAWAII
	Proposed Cancellation of Governor's
	Executive Order No. 70 and reissuance
SUBMITTED BY 18/6	of New Executive Order to County
Burery Head	of Hawari for General Community
in the state of th	Services and Allied - Use Purposes
Accepted or that some size 10/0/	(Parcel A)
Lichier Engineer	Simonus. South Hilo, is and of Hawaii, Hawaii
	Plan By PK. Crawn By: F.K. Sate: Oct. 7, 1980

2. Timeline for accomplishing the botanical garden:

• Invitation to bid upon appropriation and approved of the Capital Request to independent contractors.

• Selection of contractor

9/30/14

Completion of Construction

4/30/15

Recruit 40 clients

5/15/15

• Orientation and Training of TANF participants on

6/1/15

Tour guides for botanical garden

Gift sale clerks

Hula lessons and on-stage performance

Musical instruments, particularly ukulele

Singing

Note: Majority of the TANF participants will be young females who became pregnant, quit school to care for their infants, and had never worked before. Therefore, at the onset, participants will be trained in developing self-concept, strengthening of the family unit, and become law abiding and contributing members of the community.

### 3. QUALITY ASSURANCE, EVALUATION PLANS

- License, insurance and compliant record of each contractor-bidder will be checked with State DCCA (Department of Commerce and Consumer Affairs) Consumer Resource Center and past job references.
- Contract will require County Building Permits and work will be passed by County inspections before proceeding to the next phase of construction.
- County of Hawaii Building Inspections will monitor safety of construction.
- Contractors will not be paid until stages of construction are completed, quality of work approved per Contract and County Building inspections passed, as applicable to plans and permits.
- Final Payment will be made only after Final County inspections have been passed, all building permits closed satisfactorily, and applicant staff has approved quality of work (Punch list).
- Work quality and effectiveness of repairs will continue to be monitored throughout the 12 months following completion and contractor(s) will be called back to address failures, if any, during the one-year warranty period mandated by State law.

### 4. MEASURES OF EFFECTIVENESS TO BE REPORTED TO STATE EXPENDING AGENCIES

Applicant will report to State Expending Agency the following Milestones:

- Advertising and procurement process
- Selection of architect/engineer and contractors
- Receipt of engineering report and design plans
- Approval of building permits
- Execution of contracts
- Issuance of Notices to Proceed
- Start of constructions
- Completion of each stage of construction and county inspection passed
- Drawdowns/submission of Requests for Payments
- Final Inspection Walk-Through Report
- Close out of construction (County Final inspection(s), closing of permits)
- Receipt of Tax Clearances, Making Final Payment to Contractors
- Final CIP Project Report including financial summary and close out of State CIP contract.

If CIP is not fully funded/bids exceed approved CIP appropriation, the scope of work will be scaled back and additional funding may be sought. Applicant may enlist the help of volunteer to do some of the labor, such as painting, and/or an appeal made to LOWES that periodically does community service projects.

## III. FINANCIAL Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable to detail the cost of the request.

(See Construction Estimate and Budgets attached)

Applicant
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2. The applicant shall provide its anticipated quarterly funding request for fiscal year 2015.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
82,262	82,262	82,262	82,264	329,050

- 3. All other sources of funding being sought for fiscal year 2015. For this specific project, no other funds are being requested.
- 4. State and federal tax credits.
  - **NOT APPLICABLE.** HCEOC has not applied nor been granted any state or federal tax credits within three years and does not anticipate applying for any state/federal tax credits for any capital project in the near future.
- 5. The applicant shall provide the balance of its unrestricted assets as of December 31, 2013.

  Strictly speaking: Unrestricted cash and other assets = \$286,258.93, however by January 7, 2014 (after payroll, accounts payable, working capital loan payments, and deferred revenues are figured in, the amount is: -\$51,635.82.) (See Balance Sheet attached.)

#### IV. Experience and Capability

a. Necessary Skills, Abilities, Knowledge and Experience Also a listing of verifiable experience of related projects or contracts for the most recent three years that is pertinent to the request.

Applicant has the experience and expertise to manage the project:

Throughout the years for nearly 40 years, applicant had engaged in economic and community development projects for the low-income population of Hawaii County. To cite some project examples:

- Agricultural Training for the low-income on 50 acres of State land that still continues to present time.
- Renewable energy project for training and placement of low-income in jobs.
- Self-help Housing projects-44 homes in Hawaiian fishing village of Milolii equipped with photo-voltaic solar generators when solar generators were still a novelty 25 years ago.
- 28 self-help housing for residents of Hawaiian Home Lands
- Educational programs for under-achieving elementary and high school students
- Transportation program for low income elderly and the disabled.
- Low-income Home Energy Assistance Program (LIHEAP) assists with average 3500 households each June.

With the exception of the Term limit projects, projects are still ongoing

### V. Personnel: Project Organization and Staffing

- A. Proposed Staffing, Staff Qualifications, Supervision, and Training
  - a. None: Request is for Capital Funds only
- B. Organizational Chart
  - a. Is Attached
- C. Compensation
  - a. The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, director or employees of the organization by position.
    - i. Executive Director \$72,000
    - ii. Human Resource Officer \$60,000
    - iii. Fiscal Officer \$52,000

#### VI. Other

- A. Litigation
  - a. None
- B. Licensure or Accreditation
  - a. Not applicable

Applicant	
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### 2. Why Proposed Project Will Succeed:

This year, according to the Harbor's Division of State Department of Transportation: 113 cruise ships port calls to Hilo are scheduled to carry 239,002 passengers.

For the past seven years, the number of passengers has been steady with more than 200,000 passengers per year coming to Hilo by ship. About 800 visitors from the cruise ships are transported to Rainbow Falls Park, The only worthwhile visitor attraction in the heart of Hilo by buses. Many others come to Rainbow Falls in rental cars, Taxis, and vans, increasing the number of visitors to Rainbow Falls to an average of 1,700 to 2,000 visitors per day.

However, unfortunately, besides viewing the falls, for a short period, there are no other attractions.

Our proposed Botanical garden will definitely enhance visitor attraction and an opportunity for visitors to expand a modicum of funds for gift items and donation of entrance for our garden.

# Hawaii County Economic Opportunity Council Balance Sheet As of December 31, 2013

Dec 3	1. 13
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	Dec 31, 13	_			
ASSETS					
Current Assets					
Checking/Savings		D	ue to/from	Effective Cash	
10000 · Bank of HI - Checking	37,215.29	_	39,903.02	77,118.31	
10200 · Bank of HI - HPG 5997	7,714.91		(2,500,00)		Restricted
10300 · CPB - Acct #9843	341.40		(00,000,00)	(8,658.60)	
10600 - CPB - Acct #5895	513.29			513.29	
10601 · CPB-RURAL UTILITIES ACCT#8983					Restricted
10700 · BoH- FS Acct#7073	87,547.50		(4,271.65)	83,275.85	
10800 · BoH-MTP Acct.#0149	5,537.96		(16,131.37)	(10,593.41)	
11300 · CPB - Acct #7057	902.25		(8,000.00)	(7,097.75)	
Total Checking/Savings	142,358.04	•	(0,000,00)	142,358.04	_
Total Offecking/Savings	142,550.04			(5,214.91)	
				(2,585.44)	
			-		Unrestricted Cash
				134,337.03	Omestricted Casil
Accounts Receivable					
12000 · Accounts Receivable	73,549.00				
Total Accounts Receivable	73,549.00	•		72 540 00	Assessments Occasionable
	73,549.00			73,549.00	Accounts Receivable
Other Current Assets	0.40				- primarily FS and Trans - unrestricted
11000 · Petty Cash	8.16				
11100 · Petty Cash - Gift Shop	123.11				
12001 · Undeposited Funds	(613.25)				
12400 · Grants Receivables	34,800.29				
12501 · AR - Customer Other	(100.00)				
14000 · Prepaid Expenses	27,237.93				
14400 · Security Deposits	16,696.00				
Total Other Current Assets	78,152.24		_	78,152.24	Primarily Unrestricted Other Assets
Total Current Assets	294,059.28			286,258.93	
Payroll fiabilities					
22200 · Accrued Payroll Deduction	2,484.21				
22300 · Accrued Pension & Life	31,760.79				
22650 · Accrued Federal Withholding T	12,383.48				
22700 · Accrued Social Security	17,873.74				
22800 - Accrued Medicare	4,180.16				
22900 · Accrued SUTA	7,564.83				
23050 · Accrued State Withholding Tax	7,241.41				
23060 · Acrrued 401K	4,027.64				
23070 · Garnishment	960.00				•
· · · · · · · · · · · · · · · · · · ·	88,476.26			(88,476.26)	Payroll Liabilities
Accounts Payable					
20000 · Accounts Payable	106,427.23			(106,427.23)	Accounts Payable
24550 · Short Term Loan	128,440.97		÷ .	(128,440.97)	Working Capital Loans
24000 - Deferred Revenue	14,550.29		_	(14,550.29)	Deferred Revenues
AICT LINDEGEDIOTED OURSELT ASSET				/F4 (37 03)	
NET UNRESTRICTED CURRENT ASSET	<b>ა</b>		=	(51,635.82)	•

### BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2014 to June 30, 2015)

GRANT REQUEST - CAPITAL

Hawaii County Economic Applicant: Opportunity Council

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST 1. Salaries	0			
Payroll Taxes & Assessments	0			
3. Fringe Benefits	0			
TOTAL PERSONNEL COST	0			
B. OTHER CURRENT EXPENSES  1. Airfare, Inter-Island	0			
2. Insurance	0			
Lease/Rental of Equipment	0			
4. Lease/Rental of Space	0			
5. Staff Training	0			
6. Supplies				
7. Telecommunication	0			
8. Utilities	0			
9		ļ		
10				
11		<u> </u>		<del> </del>
12	<del></del>		<u> </u>	1
<u>13</u> 14		<del></del>		-
15			<del>                                     </del>	<del> </del>
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	5			
C. EQUIPMENT PURCHASES	0			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	329.050			
TOTAL (A+B+C+D+E)	0			
SOURCES OF FUNDING  (a) Total State Funds Requeste	0 ed 329,030	Budget Prepared		96/2681
	- 1000	Name (Please type or	lokoyama print)	9612681 Phone
(b)				
(c)		Signalius de su partir	o rymeiai	/ 11315*
(d)		Signature of Authorize		1 Date
TOTAL BUDGET	329,050	Name and Title (Pleas		whire Direct
1	241,000		A	Application for Grants are

Page 4
Application for Grants and Subsidies

### **BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES**

Applicant:	<u>HCEOC</u>	 Period: July	1, 2014	to June 30	2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER	TOTAL COST	TOTAL BUDGETED
VIDEO TELEVISING EQUIPMENT	1.00	\$2,000.00	\$ 2,000.00	2000
VIDEO SCREEN 6' x 8'	1	\$300.00	\$ 300.00	300
COMPUTER	1	\$700.00	\$ 700.00	700
BENCH 2' x 12'	100	\$7.00	\$ 700.00	700
LUMBER FOR LONG TABLES 3' x 12'	50	\$7.00	\$ 350.00	350
TOTAL:	153		\$ 4,050.00	4,050

JUSTIFICATION/COMMENTS:

The items above are needed for use by visitors to the botanical garden

attraction and for video presentation of information to the visitors.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

No vehicles are needed.

### BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

	FUNDI	NG AMOUNT RE	EQUESTED			
TOTAL PROJECT COST	ALL SOURCE RECEIVED IN	S OF FUNDS PRIOR YEARS	STATE FUNDS REQUESTED	OF FUNDS REQUESTED		EQUIRED IN ING YEARS
	FY: 2012-2013	FY: 2013-2014	FY:2014-2015		FY:2015-2016	FY:2016-2017
PLANS				\$ 25,000.00		
AND ACQUISITION				\$ -		
DESIGN				\$ 50,000.00		
CONSTRUCTION				\$ 250,000.00		
EQUIPMENT				\$ 4,050.00	·····	
TOTAL:				\$ 329,050.00		

### DECLARATION STATEMENT OF APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO CHAPTER 42F, HAWAI'I REVISED STATUTES

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii County Economic Opp	portunity Council
(Typed Name of Individual or Organization)	
	1/29/14
(Signature)	(Date)
Jay T. Kimura	Executive Director
(Typed Name)	(Title)